

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
HEALTH CARE FINANCING ADMINISTRATIONFORM APPROVED  
OMB NO. 0938-0193

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> FOR: HEALTH CARE FINANCING ADMINISTRATION	1. TRANSMITTAL NUMBER: <u>03-09</u> <u>HA</u>	2. STATE: New Jersey
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE August 10, 2003	

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: 42 U.S.C. 1396r-4(g)(2)	7. FEDERAL BUDGET IMPACT: a. FFY 2003 \$ 950,137 b. FFY 2004 \$ 2,300,000
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: 4.19-A, Page IV-33 4.19-A, Page IV-34 through 36 4.19-A, Page IV-38	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Same New New

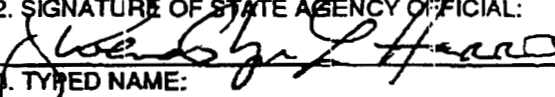
10. SUBJECT OF AMENDMENT:

175% Disproportionate Share for Government Hospital (Piscataway)

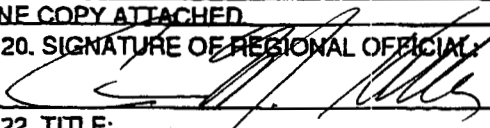
11. GOVERNOR'S REVIEW (Check One):

- ☐ GOVERNOR'S OFFICE REPORTED NO COMMENT  
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED: Not required, per 7.4 of the Plan

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO:
13. TYPED NAME: Gwendolyn L. Harris	
14. TITLE: Commissioner	
15. DATE SUBMITTED:	

## FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: SEP 25 2003	18. DATE APPROVED: AUG 24 2004
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: AUG 10 2003	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME: Carmen Keller	22. TITLE: Deputy Director, Amso
23. REMARKS:	

## ATTACHMENT 4.19-A

Page IV-33

## II. METHOD OF PAYMENT

- A. Hospitals that are deemed eligible to receive DSH payments on the basis of Low Income Utilization or both Low Income And Medicaid Utilization will receive annually a DSH payment that is equal to one-hundredth of one percent of non-DSH Medicaid payments for inpatient services for each percentage point by which the hospital's low income utilization exceeds 25 percent (i.e., the number of percentage points multiplied by 0.01 percent multiplied by the hospital's non-DSH Medicaid payments for inpatient services).
- B. A hospital that is deemed eligible to receive DSH payments on the basis of its Medicaid Inpatient Utilization Rate but has a Low-Income Utilization rate that is less than or equal to 25 percent will receive annually a DSH payment that is equal to one-hundredth of one percent of non-DSH Medicaid payments for inpatient services for each percentage point by which the Medicaid inpatient utilization rate exceeds one standard deviation above the mean Medicaid inpatient utilization for all hospitals in New Jersey (i.e., the number of percentage points multiplied by 0.01 percent multiplied by the hospital's non-DSH Medicaid payments for inpatient services).
- (i) Hospitals with a Medicaid Utilization Rate that is equal to one standard deviation above the mean Medicaid inpatient utilization rate for all hospitals in New Jersey shall be considered as having a rate that equals one percentage point plus one standard deviation above the mean Medicaid inpatient utilization for the purposes of calculating a DSH payment.
- C. Governmental special (non-acute), or governmental rehabilitation hospitals will receive a DSH payment equal to the hospital's cost of providing care to Medicaid eligible and uninsured patients using Medicare principles of reimbursement, less payments received for Medicaid and Uninsured patients.

03-09-MA

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Supersedes 96-34

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## ATTACHMENT 4.19-A

Page IV-34

(i) Effective with the State fiscal year that begins on or after September 30, 2002, and ends on the last day of the succeeding State fiscal year, DSH payments for qualifying high DSH governmental hospitals shall equal up to 175 percent of total operating cost of the hospital, less any third party amounts, including all other Medicaid payments and payments from non-governmental sources, for services provided by the hospital to individuals who are either eligible for medical assistance or uninsured. Qualifying high DSH hospitals are those that have at least a 20% Medicaid utilization based on inpatient days from the most recent audited Medicaid cost reports available at the effective date of this amendment, as determined by the Division of Medical Assistance and Health Services.

- D. Payments by the Division of Mental Health Services, Department of Human Services, under a contract for community care services to private psychiatric, special (non-acute), and rehabilitation hospitals, that have a New Jersey Medicaid utilization that is at least one (1) percent, shall also be considered Medicaid DSH payments. These payments relate to the cost of services provided to low income patients in accordance with Section 1923 (c)(3) of the Social Security Act. This payment shall not affect a hospital's eligibility for or the amount of any other Medicaid DSH payment as set forth in A or B above.

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ATTACHMENT 4.19-A  
Page IV-35

Page IV-35

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ATTACHMENT 4.19-A  
Page IV-36

Page IV-36

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ATTACHMENT 4.19-A  
Page IV-38

Page IV-38

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